

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF CONTEL CELLULAR)	
OF LOUISVILLE, INC. AND RURAL CELLULAR)	
COMMUNICATIONS INC. FOR APPROVAL OF THE)	
TRANSFER AND ACQUISITION OF CELLULAR)	CASE NO. 91-458
TELEPHONE ASSETS IN KENTUCKY RURAL)	
SERVICE AREA NO. 6(B1) AND THE FINANCING)	
THEREOF)	

O R D E R

On December 11, 1991, Contel Cellular of Louisville, Inc. ("Contel Cellular") and Rural Cellular Communications Inc. ("Rural Cellular") filed a joint application pursuant to KRS 278.020(4) and KRS 278.300 for approval to transfer the assets of Rural Service Area No. 6(B1) ("RSA No. 6(B1)") from Contel Cellular to Rural Cellular and for authorization of Rural Cellular to issue its promissory note to finance the purchase of assets from Contel Cellular.

Contel Cellular is a Washington corporation which holds a wireline license from the Federal Communications Commission ("FCC") for RSA No. 6(B1). On December 24, 1991, the Kentucky Public Service Commission ("Commission") granted Contel Cellular

authority to construct cellular facilities and provide cellular service in RSA No. 6(B1).¹

Rural Cellular is a Kentucky corporation which is wholly-owned by Kenneth L. Ramsey who also serves as its president.

On November 4, 1991, Contel Cellular and Rural Cellular entered into an asset purchase agreement whereby Contel Cellular will sell and Rural Cellular will purchase all of tangible and intangible assets necessary for construction and operation of the cellular system in RSA No. 6(B1), including the FCC permit and any other license or authorizations granted by this Commission. The application of Contel Cellular and Rural Cellular for consent to assignment of the FCC permit to Rural Cellular was granted by the FCC on December 23, 1991 and has been filed in the record as Exhibit F. A copy of the purchase agreement between Contel Cellular and Rural Cellular and related financing information was filed as confidential Exhibit B. Rural Cellular will issue its promissory note to Contel Cellular to finance the purchase of assets of Contel Cellular.

Pursuant to KRS 278.020(4) and (5), persons under the jurisdiction of the Commission are required to receive its approval prior to the acquisition of transfer of ownership or control of a utility. The Commission finds that Rural Cellular

¹ Case No. 91-408, Application of Contel Cellular of Louisville, Inc. for Issuance of a Certificate of Public Convenience and Necessity to Provide Domestic Public Cellular Radio Telecommunications in Kentucky Rural Service Area No. 6(B1).

has the financial, technical, and managerial abilities, as demonstrated in its application, to provide reasonable service to the public in RSA No. 6(B1) and that the acquisition by Rural Cellular from Contel Cellular is for a proper purpose and consistent with the public interest. The proposed acquisition, as described in the joint application, is consistent with the requirements of KRS 278.020(4) and (5) and should be approved.

The Commission further finds that the transfer financing is for a lawful object within Danbury's corporate purposes, is necessary or appropriate for or consistent with the proper performance of its service to the public, will not impair its ability to perform that service, and is reasonably necessary and appropriate for such purpose. The transfer financing, as described in the joint application, is consistent with the requirements of KRS 278.300 and should be approved.

The proposed transfer will be transparent insofar as there will be no changes in services in RSA No. 6(B1). Rural Cellular will adopt Contel Cellular's in tariff and price list for RSA No. No. 6(B1) with the exception of the charge for roaming services.

IT IS THEREFORE ORDERED that:

1. The proposed transfer and transfer financing be and is hereby approved.

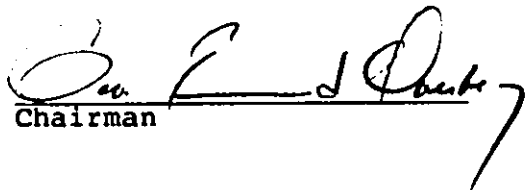
2. Within 30 days from the date of this Order, Rural Cellular shall file its adoption notice in accordance with 807 KAR 5:011, Section 11.

3. Within 30 days of the closing of the proposed transfer, Rural Cellular shall give notice to the Commission of the closing.

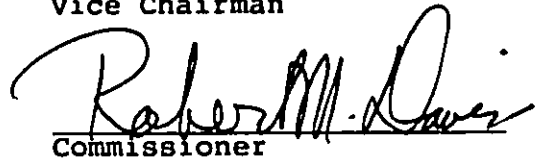
4. Within 30 days of the closing of the proposed transfer, Rural Cellular shall file its tariff sheets in accordance with 807 KAR 5:011. This tariff filing will reflect the current roamer charge. At the time of this filing, Rural Cellular may also file a tariff sheet to adjust for roaming services as proposed in its application.

Done at Frankfort, Kentucky, this 24th day of December, 1991.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner

ATTEST:


Executive Director